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UNMIK

SUBJECT: STABILITY PACT TRANSITION ENGAGES THE SEECF

REF: BRUSSELS 00373

11. (U) Summary: The February 14-15 meeting of the Stability Pact transition Institutions Working Group (IWG) in Zagreb successfully resolved most fundamental issues related to the creation of the Regional Cooperation Council (RCC) as the successor regional structure to replace the Stability Pact by early in 2008. The meeting, which followed a lengthy but inconclusive session of the South East European Cooperation Process (SEECF) political directors, reached agreement on the principles for establishing the nomination procedure and mandate of the proposed Secretary General of the RCC, set out procedures and requirements for selecting the location for the regional headquarters of the RCC secretariat, and agreed on most elements of the RCC charter. Discussions on all issues were lively and generally constructive. IWG participants will be reviewing the outcome of the meeting with capitals; prospects are good for drawing the preparatory process to a close on February 26, with the agreed documents then to be reviewed by SEECF FMs and incorporated into the updated SEECF charter on March 2. The process of creating the RCC structure should proceed to final approval by SEECF Prime Ministers on May 11 with implementation beginning in the summer and continuing through the end of the year. Ensuring effective coordination with SEECF PolDirs on the final language remains a challenge and depends on the Croatian SEECF CiO. End Summary.

12. (U) Representatives of SEECF countries, UNMIK/Kosovo, and key donor governments met in Zagreb to continue the work of the Stability Pact transition Institutional Working Group (reftel). Preceded by an active exchange of views in the two weeks following the initial IWG session on January 24, the sub-working groups met on February 14 to work through specific concerns and reservations on how best to create the RCC as a successor structure to the Stability Pact. The discussion of the requirement for the seat agreement of the RCC secretariat was straight-forward; in contrast, the debate on the nomination and mandate of the Secretary General of the RCC was more difficult, due in part to strong interventions of an apparently poorly informed Turkish representative, whose misreading of the draft texts caused much frustration and consternation among the other participants.

13. (U) RCC Secretariat Seat Agreement: The critical issue involved finding the right legal status for the RCC and/or the RCC Secretariat in order to establish headquarters in the region, allow

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it to enter into effective legal agreements with the government (tbd) hosting the RCC secretariat, and thereafter, create the Brussels liaison office under Belgium law and regulation. Alternatives under consideration involve the possibility of a ratified international agreement to make the RCC an international organization in its own right (likely to be rejected as being

unachievable) or a slimmed down version by which the RCC secretariat would be established on the basis of a seat agreement between the host government and the SEECP member governments signing individually. The legal issues continue to require study.

¶4. (U) Secretary General Nomination Process: Considerable wrangling produced a political agreement positing a six step procedure:

--SEECP governments propose suitable candidates

--SEECP, through its CiO, consults with RCC Board members (the Stability Pact Regional Table in the case of the first SecGen) members on the candidates.

--SEECP PolDirs make a consolidated nomination proposal

--The nomination is forwarded to the RCC Board (the Stability Pact Regional Table in this initial case) for consideration and endorsement

--the RCC Secretary General is appointed by SEECP Foreign Ministers

--The SEECP Prime Ministers confirm the appointment

The six step procedure will be compressed into the early March-early May period for the inaugural selection, with a more deliberate timetable for future nominations. As noted, given that the RCC will not be legally constituted prior to the naming of its first SecGen, the Stability Pact's Regional Table will perform the initial consultative function. In the future, the consultative process will be handled by the RCC's Board. For their part, UNMIK/Kosovo and PISG representatives pushed for a more equal role for Kosovo in the nomination process, given that it is not a member of the SEECP, but the issue was left with Kosovo's say on the SecGen nomination coming initially as part of the RCC (or Regional Table) review of candidates and endorsement of the final nomination.

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¶5. (U) The RCC Board: The RCC Board will be made up of the SEECP governments, the EU, and key donors who are providing notable financial support to the RCC secretariat or are conducting assistance programs in the region above a threshold amount (still to be determined). This latter alternative is intended to allow a voice to such key donors as the U.K. (but perhaps not to France given its lower level of active assistance) and the international financial institutions, whose lending programs are substantial.

¶6. (U) Secretary General Mandate: There was a quick consensus around the concept of having a strong regionally active political figure -- with the ability to deal directly with the highest levels of regional and donor governments -- to serve as SecGen. As noted above, getting to a reserved consensus was hindered by strong resistance by the Turkish representative who was wary of committing to a formula that would seemingly compel an open door to the "highest level" (eg. Turkish Prime Minister or President), and who was also apparently satisfied with an ambassador-level choice of candidates. Concerted intervention by DSC Mozur and USEU rep Manso had its effect in softening his position, and opening the possibility having the Turkish reserve lifted by February 26. Further debate focused more on the Sec Gen's role vis-à-vis senior SEECP meetings and the requirement that the SecGen present an annual report on the state of regional cooperation to the RCC and to the SEECP foreign ministers, and a strategic presentation to SEECP prime ministers at the SEECP Summit. Not yet decided is the term of the SecGen with the majority pressing for an initial three year term with a one-year renewal, while the Croatians and the Albanians attempt to hold to a two year-two year renewal scenario.

¶7. (U) RCC Charter: The heart of the process -- the discussion on the overall charter -- proved manageable as SEECP participants debated the proper relationship of the RCC and SecGen with the ongoing SEECP activities and the donor community. Persuasive interventions by the Swedish Stability Pact National coordinator and

by DSC Mozur emphasizing the new partnership between the donor community and the SEECP beneficiary countries set the tone. The Charter would incorporate agreed language from the seat agreement and SecGen mandate and form an annex to the updated SEECP charter, which is being prepared by the SEECP PolDir's, who met on February 13-14 in Zagreb and will reconvene on March 1 prior to the March 2 Foreign Ministers meeting.

¶8. (U) Size of Secretariat and Staffing: Although this issue came up it was deferred pending the nomination of the SecGen to allow for the new SecGen to state a vision for the secretariat operation. However, Stability Pact representatives outlined the general parameters, which would be supported by the overall funding commitments made to date (close to three million euros) from the SEECP countries, the European Commission, and other donors (Austria, Switzerland, Sweden, Germany, the U.S. and others). As agreed, the secretariat would be located in the region, would likely be less

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than half the size of the Stability Pact operation, encompassing a small executive office around the SecGen (possibly to include a formal Deputy SG position), an expert staff of perhaps six to ten persons, an admin support staff of five or six, plus a small liaison office in Brussels of perhaps three or four, for an overall total of between 20 and 25 people.

¶9. (U) Atmospherics: The meeting went smoothly and discussion stayed focused, apparently in contrast to a drawn out exercise involving the SEECP PolDir's, which took place the day before and earlier in the morning of the 14th just before the IWG session. Many of the SEECP reps had participated in the PolDir's meeting, which saw the Croatian CiO present drafts on the same issues before the IWG with no resulting agreement. For his part, IWG Co-Chair Grigic played a somewhat subdued role despite Stability Pact efforts to push him to do otherwise. The Albanian representative took special pains during the concluding plenary session to highlight the importance of facilitating the free movement of peoples (a position strongly supported by UNMIK/KOSOVO), noting that Albanians only enjoy visa free status with Montenegro and Macedonia in the region. Reaction to the Albanian plea included a strong statement by the European Commission representative on the course of active efforts by the Commission to discuss visa facilitation with governments in the region and recognition that the SEECP JHA Ministerial in early April would provide an ideal venue for addressing the issue yet again.

¶10. (SBU) Comment: So far, so good sums up progress achieved. There remains somewhat of a disconnect within the SEECP governments on the Stability Pact transition process, where the Croatian CiO

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could do more to bring the two tracks together. Stability Pact representatives pressed IWG co-Chair Grigic hard to adopt the agreed IWG texts as the basis for the SEECP Charter amendments and will be watchful on this score in the run up to the March 2 Ministerial. Stability Pact participation in the March 1 PolDir's meeting should help to achieve the necessary coordination.

¶11. (SBU) There was no substantive discussion of location sites or potential SecGen nominees at the IWG session. Sarajevo remains the likely choice for the location of the RCC secretariat. The sole visible and preliminary candidate for the SecGen position, Goran Svilanovic, former Serbian Foreign Minister and Chairman of the Stability Pact's Working Table I (on democratization) continues to be hopeful that he will be able to win support from Belgrade to allow his name to be put in play at the March 2 meeting by the Serbian representative (FM Vuk Draskovic may be attending) in the absence of a new government in office in Belgrade. End Comment.

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